Department of State

EXCISE

608

TELI

(E)

CONFIDENTIAL

AN: 0730002-0438

PAGE 01 TRIPOL 01003 021445Z

51
ACTION AF-04

INFO OCT-01 SS-14 ADP-00 NSC-10 NSCE-00 CIAE-00 INR-10

NSAE-00 RSC-01 NEA-06 EUR-10 L-02 PRS-01 EB-03 OEP-01

PM-03 CIEP-01 OMB-01 SCEM-01 TRSE-00 USIA-04 RSR-01

/074 W
---------- 120557
P R 021428Z AUG 73
FM AMEMBASSY TRIPOLI
TO SECSTATE WASHDC PRIORITY 0379
INFO AMEMBASSY BEIRUT
AMEMBASSY JIDDA
AMEMBASSY KUWAIT
AMEMBASSY LONDON PRIORITY
AMEMBASSY TEHRAN

DEPARTMENT OF STATE A/CDC/MR
REVIEWED BY [signature] DATE 12/20/82
RDS☐or XDS☐EXT. DATE
TS AUTH. REASON(S)
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DECLASSIFIED☐ RELEASABLE☐
RELEASE DENIED☑ IN PART
PA or FOI EXEMPTIONS

C O N F I D E N T I A L TRIPOLI 1003

LIMDIS

E.O. 11652: GDS
TAGS: ENRG, LY
SUBJ: PARTICIPATION: NEW LIBYAN ULTIMATUM
1. AS DEPT PROBABLY ALREADY AWARE, LARG SUMMONED OASIS AND OCCIDENTAL NEGOTIATORS FOR AUGUST 1 MEETING WITH JALLUD. PM ONCE AGAIN REJECTED INDUSTRY PROPOSALS AS "RIDICULOUS DUPLICATION OF PERSIAN GULF SETTLEMENTS." JALLUD DEMANDED IMMEDIATE 51 PERCENT PARTICIPATION. (COMPENSATION AND BUY-BACK ELEMENTS OF LARG DEMAND NOT AVAILABLE TO EMBASSY AT THIS TIME.) JALLUD THREATENED IMMEDIATE CUTBACK OF 66 PERCENT OF PRODUCTION IF DEMAND NOT MET. THREAT EVAPORATED QUICKLY IN FACE OF NEGOTIATORS' STATEMENTS THAT THEY CERTAINLY UNABLE ACCEDE TO LARG DEMAND WITHOUT CONSULTATION WITH THEIR PRINCIPALS. MEETING THEN CLOSED ON AGREEMENT THAT NEGOTIATORS WOULD CONSULT

PAGE 02 TRIPOL 01003 021445Z

WITH PRINCIPALS RETURN CIRCA AUGUST 8 FOR SERIOUS NEGOTIATIONS. INDUSTRY SPOKESMAN CITED JALLUD DEADLINE OF AUGUST 15 FOR COMPLETE SETTLEMENT. (THIS CONFLICTS WITH PRESS REPORTS THAT JALLUD TOLD ASSEMBLED LIBYAN STUDENTS FROM ABROAD AT ENERGY SEMINAR THAT LARG DEADLINE FOR SETTLEMENT WAS END OF AUGUST.)

2. COMMENT: LARG ISGATION#OF OASIS AND OXY MAY BE DESIGNED TO CUT THEM OFF FROM MAJORS. AT LEAST [redacted] BELIEVES SO AND DEPARTED TRIPOLI CONCERNED THAT "INDUSTRY LOSING CONTROL OF SITUATION ONCE AGAIN."
JOSIF

B1, A9

NOTE BY OC/T: #AS RECEIVED. WILL BE SERVICED UPON REQUEST.